

DOCKET FILE COPY ORIGINAL

STAMP AND RETURN

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matters of

LOOKING GLASS NETWORKS HOLDING CO., INC.,
Transferor and Licensee,

LEVEL 3 COMMUNICATIONS, INC.,
Transferee,

and

LOOKING GLASS NETWORKS, INC.,
LOOKING GLASS NETWORKS OF VIRGINIA, INC.,
Licensees,

Application for Consent to Transfer Control
of Authority to Provide Global Facilities-
Based and Global Resale International
Telecommunications Services and of Domestic
Common Carrier Transmission Lines, Pursuant
to Section 214 of the Communications Act of
1934, as Amended

File No. ITC-T/C-200606 - _____

WC Docket No. 06-_____

REC'D/MAIL ROOM

JUN 15 2006

**CONSOLIDATED APPLICATION —
STREAMLINED PROCESSING REQUESTED**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"), and Sections 63.04 and 63.18(e)(3) of the Commission's rules, Looking Glass Networks Holding Co., Inc. ("LGN Parent") (FRN No. 0011297058), and Level 3 Communications, Inc. ("Level 3") (FRN No. 0005868732), request that the Commission consent to the transfer of control to Level 3 of (1) LGN Parent's international Section 214 authorization for global facilities-based and global resale services and (2) the domestic common-carrier transmission lines of Looking Glass Networks, Inc. ("LGN Operations") (FRN No. 0004350989) and Looking Glass Networks of Virginia, Inc. ("LGN Virginia") (FRN No. 0006802409) (together, "LGN Operating

Companies,” collectively with LGN Parent, “LGN,” and collectively with LGN Parent and Level 3, “Applicants”).¹ Level 3 and one of its subsidiaries, Eldorado Acquisition One, Inc. (“Eldorado One”), have entered into an agreement with LGN Parent’s shareholders to acquire all of the telecommunications businesses of LGN Parent and its subsidiaries by purchasing all of LGN Parent’s outstanding shares (“Proposed Transaction”). This consolidated application qualifies for presumptive streamlined processing under Sections 63.03(b)(2)(i) and 63.12 of the Commission’s rules, and the Applicants therefore request such treatment.²

I. BACKGROUND

A. Parties to the Proposed Transaction

Looking Glass Networks Holding Co., Inc. LGN Parent is a Delaware corporation with its principal place of business in Oak Brook, Illinois. LGN Parent is a holding company for the LGN Operating Companies. It is the ultimate sole owner of LGN Operations and LGN Virginia.

Looking Glass Networks, Inc. LGN Operations is a Delaware corporation with its principal place of business in Oak Brook, Illinois. As the principal operating subsidiary of LGN Parent, LGN Operations operates as a non-dominant provider of high-capacity data transport services (including SONET/SDH, wavelength, and Ethernet services) as well as high-capacity dark fiber and carrier-neutral collocation services for carriers and large enterprise customers. It operates or manages a next-generation fiber-optic network with 2000 route miles serving 14 major markets in the United States, with lit connectivity to approximately 215 buildings and

¹ See 47 U.S.C. § 214; 47 C.F.R. §§ 63.04, 63.18(e)(3). Section 63.04(b) of the Commission’s rules permits the Applicants to file a joint transfer and/or assignment application for domestic and international Section 214 authorizations. See also *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations, Report and Order*, 17 FCC Red. 5517 (2002).

² See 47 C.F.R. §§ 63.03, 63.12.

dark-fiber connectivity to approximately 250 additional buildings, and holds authority to provide global facilities-based and resale-based international telecommunications services. LGN Operations is a wholly-owned, direct subsidiary of LGN Parent.

Looking Glass Networks of Virginia, Inc. LGN Virginia is a Virginia corporation with its principal place of business in Oak Brook, Illinois. It provides interstate, intrastate, and local data transport services in the Commonwealth of Virginia. LGN Virginia is a wholly-owned, direct subsidiary of LGN Operations and a wholly-owned, indirect subsidiary of LGN Parent.

Level 3 Communications, Inc. Level 3 is a Delaware corporation headquartered in Broomfield, Colorado, and a global communications and information services company that offers, through its operating subsidiaries, a wide range of communications services over its 33,000-mile broadband fiber optic network in North America, Europe, and Asia, including Internet-protocol-based services, broadband transport, collocation services, and patented Softswitch-based managed modem and voice services. Level 3's operating subsidiaries hold numerous Commission authorizations for international telecommunications services, undersea cable facilities, satellite earth stations, and terrestrial wireless facilities.³ Level 3 is a publicly-traded company listed on NASDAQ (symbol: LVLT).

Eldorado Acquisition One, Inc. Eldorado One is a Delaware corporation established by Level 3 for the purpose of merging with LGN Parent and offers no services. Eldorado One is a wholly-owned, direct subsidiary of Level 3.

³ In Attachment A, the Applicants provide a diagram showing the pre-transaction organizational structures of Level 3, Level 3's relevant operating subsidiaries, LGN Parent, and LGN Operating Companies. Level 3's proposed acquisition of TelCove, Inc. ("TelCove"), is currently pending before the Commission. See FCC File No. ITC-ASG-20060609-00313; WC Docket No. 06-118. Level 3 expects to consummate its acquisition of TelCove early in the third quarter of 2006.

B. The Proposed Transaction

On June 2, 2006, LGN Parent, Level 3, and Eldorado One entered into an Agreement and Plan of Merger ("Agreement") to allow Level 3 to acquire all of the outstanding shares of LGN Parent and, therefore, control of LGN Parent and LGN Operating Companies, including:

(1) LGN Parent's international Section 214 authorization for global facilities-based and global resale services; and (2) LGN Operating Companies' domestic common-carrier transmission lines. The parties anticipate consummating the Proposed Transaction early in the third quarter of 2006.

Under terms of the Purchase Agreement, Level 3 will pay total consideration of \$96 million, consisting of \$87 million in shares of Level 3 common stock and \$9 million in cash.⁴ Level 3 will pay LGN Parent's liabilities (primarily senior secured debt), amounting to \$69 million, at closing. Level 3 will acquire LGN Parent in a simultaneous three-step transaction.

First, LGN Parent will merge with Eldorado One, with LGN Parent surviving.⁵ *Second*, Level 3 will immediately contribute all of the common shares of LGN Parent to Level 3 Financing, Inc. ("Level 3 Financing"), another Level 3 direct subsidiary.⁶ *Third*, Level 3 Financing will contribute all of the common shares of LGN Parent to Level 3 Communications, LLC ("Level 3 LLC"), Level 3's principal, indirect operating subsidiary in the United States.⁷ Following the completion of these three steps, LGN Parent will then be a direct subsidiary of

⁴ The number of shares of Level 3's common stock to be delivered at closing will be determined by dividing \$87 million by Level 3's volume-weighted average share price for the ten trading days ending on the trading day immediately preceding the third trading day prior to closing.

⁵ See Attachment B.

⁶ See Attachment C.

⁷ See Attachment D.

Level 3 LLC, and the LGN Operating Companies will be indirect subsidiaries of Level 3 LLC.⁸

Following consummation of the Proposed Transaction, the LGN Operating Companies will continue to operate their respective facilities and provide service to their existing customers at the same rates, terms, and conditions, ensuring a seamless transition for those customers.

Although LGN Parent's existing shareholders will gain aggregate equity and voting interests in Level 3 of less than 2 percent following consummation of the Proposed Transaction (with the exact percentage depending on (1) Level 3's share price around the time of consummation, and (2) whether or not Level 3 consummates its acquisition of TelCove before it consummates its acquisition of LGN Parent), no existing shareholder or controlling group of shareholders of LGN Parent will have a 10-percent-or-greater direct or indirect interest in Level 3 as a consequence of the Proposed Transaction.⁹ See part III(h) below.

Level 3's acquisition of LGN Parent and its subsidiaries will strengthen and expand Level 3's customer service offerings and networks. The acquisition also will allow Level 3 to compete more effectively with other carriers in the market. In addition, the metropolitan networks maintained by LGN will allow Level 3 to offer new services to new locations in existing markets and will expand the reach of the Level 3 backbone network. The Proposed Transaction therefore facilitates the Commission's long-standing goal of fostering facilities-

⁸ See Attachment E.

⁹ As noted in the relevant applications filed with the Commission with respect to Level 3's proposed acquisition of TelCove, TelCove's existing shareholders will gain aggregate equity and voting interests in Level 3 of between 12.8 and 19.1 percent following consummation of Level 3's acquisition of TelCove (with the exact percentage depending on Level 3's share price around the time of consummation), although no existing TelCove shareholder or controlling group of TelCove shareholders will have a 10-percent-or-greater direct or indirect interest in Level 3 as a consequence of Level 3's acquisition of TelCove. See Level 3-TelCove Section 214 Transfer and Assignment Application, FCC File No. ITC-ASG-20060609-00313 (filed June 9, 2006).

based competition. Approval of this transfer-of-control application will serve the public interest, convenience, and necessity.

II. MARKET ANALYSIS

A. LOCAL EXCHANGE AND EXCHANGE ACCESS SERVICES

The Proposed Transaction will have no impact on any participant's share of the local-exchange and exchange-access market segments. In 2005, LGN generated approximately \$70 million in annualized revenue from the sale of all services, only a subset of which constitute local services, and none of which are voice, switched, or exchange services. Level 3's operating subsidiaries are insignificant participants in the local-exchange and exchange-access markets, where they compete with unaffiliated dominant local exchange carriers ("LECs") in their respective geographic markets. Even if Level 3 derived all of the communications revenue (excluding interexchange revenue and reciprocal compensation revenue) reported in the 2005 10-K for Level 3 Communications, Inc., from local-exchange and exchange-access services (when in fact, it derived only a fraction of its revenues from such services), Level 3's revenues would likely account for less than one percent of all nationwide local exchange and exchange access revenues.¹⁰

B. INTERSTATE INTEREXCHANGE SERVICES

The Proposed Transaction will have no impact on any participant's share of the interstate interexchange market segment. LGN does not provide any voice, switched, exchange, or toll services. Level 3's operating subsidiaries are insignificant participants in the market for interstate interexchange services. In 2003—the most recent year for which FCC toll revenue data are publicly available—Level 3's toll revenues (only a portion of which are interstate

¹⁰ See 2005 Form 10K, Item 7, of Level 3 Communications, Inc.; FCC, STATISTICS OF COMMUNICATIONS COMMON CARRIERS, at 202, Tbl. 5.20 (2004/2005 cd.) (providing 2003 data); FCC, TRENDS IN TELEPHONY SERVICE, Tbl. 8.7 (2005) (providing 2003 data). A direct year-to-year comparison is not possible, as the FCC's reports do not include 2005 data.

interexchange revenues) were slightly over \$1.246 billion.¹¹ By comparison, total industry-wide toll revenues for all carriers in 2003 exceeded \$77 billion, and total revenues for all non-LEC, non-wireless toll service providers exceeded \$56 billion.¹² Thus, even assuming that all LGN and Level 3 toll revenues were interstate interexchange revenues (and they are not), the combined interexchange revenues of LGN and Level 3 would amount to no more than 2 percent of total industry-wide toll revenues, and even less than that percentage if all non-LEC, non-wireless toll services are included. Neither LGN Operations nor LGN Virginia nor Level 3 nor any affiliate of LGN or Level 3 is regulated as dominant for the provision of any service.

III. INFORMATION REQUIRED BY SECTION 63.18 OF THE COMMISSION'S RULES REGARDING THE TRANSFER OF CONTROL TO LEVEL 3 OF LGN PARENT'S INTERNATIONAL SECTION 214 AUTHORIZATION FOR GLOBAL FACILITIES-BASED AND GLOBAL RESALE SERVICES

Pursuant to Section 63.18 of the Commission's rules, the Applicants provide the following information in support of their request for consent to transfer control of LGN Parent's international Section 214 authorization to Level 3:

- (a) The name, address, and telephone number of the Applicants are:

Transferor/Licensee

LOOKING GLASS NETWORKS
HOLDING CO., INC.
1111 West 22nd Street, Suite 600
Oak Brook, Illinois 60523
+1 630 242 2000 tel

Transferee

LEVEL 3 COMMUNICATIONS, INC.
1025 Eldorado Boulevard
Broomfield, Colorado 80021
+1 720 888 2516 tel

- (b) LGN Parent and Level 3 are both corporations organized under the laws of the State of Delaware.

¹¹ *Id.* Tbl. 9.1. The total figure for Level 3 includes revenues from WilTel Communications, LLC, which Level 3 acquired in 2005.

¹² *Id.*

(c) Correspondence concerning this application should be sent to:

Transferor/Licensee

Jodi J. Caro
Vice President and General Counsel
LOOKING GLASS NETWORKS, INC.
1111 West 22nd Street, Suite 600
Oak Brook, Illinois 60523
+1 630 242 2015 tel

Transferee

William P. Hunt, III
Vice President, Public Policy
LEVEL 3 COMMUNICATIONS, LLC
1025 Eldorado Boulevard
Broomfield, Colorado 80021
+1 720 888 2516 tel

with a copy to:

Kent D. Bressie
HARRIS, WILTSHIRE & GRANNIS LLP
1200 18th Street, N.W., Suite 1200
Washington, D.C. 20036-2560
+1 202 730 1337 tel
+1 202 730 1301 fax

Counsel for Level 3 Communications, Inc.

(d) LGN Parent holds a single international Section 214 authorization for the provision of global facilities-based and global resale services.¹³ The Commission has granted international Section 214 authority to five wholly-owned, indirect subsidiaries of Level 3—Level 3 Communications, LLC; Level 3 International, Inc.; WilTel Communications, LLC; Vyvx, LLC; and ICG Telecom Group, Inc.—to provide global facilities-based and global resale services between the United States and international points.¹⁴ The Commission has not regulated

¹³ See *International Authorizations Granted, Public Notice*, 15 FCC Rcd. 23,290, 23,291 (2000); FCC File No. ITC-214-20000612-00357. The Commission subsequently authorized the transfer of control of Looking Glass Networks, Inc., from Looking Glass Networks, LLC, to the lenders of LGN Parent. See *International Authorizations Granted, Public Notice*, 19 FCC Rcd. 16,123, 16,126 (2004); FCC File No. ITC-T/C-20040709-00291.

¹⁴ See FCC File No. ITC-214-19971229-00821 (previously FCC File No. ITC-98-016) (Level 3 Communications, LLC); FCC File No. ITC-214-19981214-00867 (Level 3 International, Inc.); File No. ITC-214-19970115-00025 (WilTel Communications, LLC); FCC File No. ITC-214-20050907-00365 (Vyvx, LLC); FCC File No. ITC-T/C-20060417-00237 (ICG). As noted above, Level 3's proposed acquisition of TelCove—including the assignment of TelCove's international Section 214 authorization to another Level 3 subsidiary (Eldorado

any of the Level 3 operating subsidiaries as dominant for the provision of any service on any international route.

(e)(3) The Applicants seek Commission consent to transfer control of LGN Parent's international Section 214 authorization, as listed in part II(d) above.

(f) No response is required.

(g) No response is required.

(h) LGN Parent will become a wholly-owned, direct subsidiary of Level 3 LLC following consummation of the Proposed Transaction. Level 3 LLC is a Delaware limited-liability company headquartered in Broomfield, Colorado, and engages in the provision of domestic and international communications and information services. Level 3 LLC's address is 1025 Eldorado Boulevard, Broomfield, Colorado 80021.

Level 3 LLC is a wholly-owned subsidiary of Level 3 Financing, a Delaware corporation engaged in the business of providing managed information technology infrastructure services across a variety of platforms. Level 3 Financing's address is 1025 Eldorado Boulevard, Broomfield, Colorado 80021.

Level 3 Financing, in turn, is a wholly-owned subsidiary of Level 3, as described in part I.A above. The address of Level 3 is 1025 Eldorado Boulevard, Broomfield, Colorado 80021. Level 3 has no controlling shareholder or group of shareholders exercising common control.

Only one party holds a ten-percent-or-greater direct or indirect interest in Level 3 Communications, Inc: Southeastern Asset Management, Inc. ("SAM"). SAM is a Tennessee corporation engaged in the business of providing investment advisory services and located at

Acquisition Three, LLC)—remains pending before the Commission. *See* FCC File No. ITC-ASG-20060609-00313.

6410 Poplar Avenue, Suite 900, Memphis, Tennessee 38119. SAM holds sole or shared voting rights for 18.83 percent of outstanding shares of Level 3 that are otherwise owned by other entities for whom SAM acts as an investment advisor. Level 3's acquisition of TelCove will dilute SAM's interest in Level 3, although probably not below the 10-percent threshold.¹⁵ None of SAM's owners holds a ten-percent-or-greater direct or indirect interest in Level 3. No existing shareholder or controlling group of shareholders of LGN Parent will have a 10-percent-or-greater direct or indirect interest in Level 3 as a consequence of the Proposed Transaction, regardless of whether Level 3 consummates its acquisition of TelCove before or after it consummates its acquisition of LGN Parent.

Level 3 has the following interlocking directorates with foreign carriers:

- Brian Hedlund, who is an Assistant Secretary of Level 3, is also a Secretary of Level 3 Communications (Austria) Limited, a Secretary of Level 3 Communications (Denmark) Limited, a Secretary of Level 3 Communications Ltd. (Ireland), and a Secretary of Level 3 Communications Limited (United Kingdom);
- Andrew E. Ottinger, Jr., who is Vice President of Level 3, is also an Assistant Secretary of Level 3 Communications Limited (United Kingdom) and an Assistant Secretary of Level 3 Communications Ltd. (Ireland); and
- Robert M. Yates, who is a Senior Vice President and Assistant General Counsel of Level 3, is also is a Director of Level 3 Communications (Austria) Limited, a Director of Level 3 Communications S.A. (Belgium), a Director of Level 3 Communications (Denmark) Limited, a Director of Level 3 Communications S.A.S. (France), a Director of Level 3 Communications GmbH (Germany), a Director of Level 3 Communications Ltd. (Ireland), a Director of Level 3 Communications S.R.L. (Italy), a Director of Level 3 Communications B.V. (the Netherlands), a Director of Level 3 Communications SLU (Spain), a Director of Level 3 Communications A.B. (Sweden), and a Director of Level 3 Communications Limited (United Kingdom).

(i) By the attached certification, Level 3 certifies that it is affiliated with the following foreign carriers: (1) Level 3 Communications (Austria) Limited; (2) Level 3 Communications S.A. (Belgium); (3) Williams Communications Network, Inc. (Canada); (4)

¹⁵ See part I.B above.

Level 3 Communications s.r.o. (Czech Republic); (5) Level 3 Communications (Denmark) Limited; (6) Level 3 Communications S.A.S. (France); (7) Level 3 Communications GmbH (Germany); (8) Level 3 Communications Ltd. (Ireland); (9) Level 3 Communications S.R.L. (Italy); (10) WilTel Communications K.K. (Japan); (11) Level 3 Communications B.V. (the Netherlands); (12) WilTel Communications (Cayman) Limited (Netherlands); (13) the Warsaw branch office of Level 3 Communications GmbH (Poland); (14) Level 3 Communications SLU (Spain); (15) Level 3 Communications A.B. (Sweden); (16) Level 3 Communications AG (Switzerland); (17) Level 3 Communications Limited (United Kingdom); and (18) Williams Communications UK Limited (collectively, "Level 3 Foreign Carrier Affiliates").¹⁶ All of the Level 3 Foreign Carrier Affiliates are located in destination markets that are World Trade Organization ("WTO") Members.¹⁷

(j) By the attached certification, Level 3 certifies that it seeks to provide international telecommunications services from the United States to the destination countries listed in Paragraph (i) above in which Level 3 controls a foreign carrier, or will do so following the consummation of the Proposed Transaction.

(k) The destination foreign countries listed in Paragraph (i) above are all WTO Members.¹⁸

(l) On routes between the United States and the foreign countries identified in Paragraph (i) above, the Level 3 Foreign Carrier Affiliates satisfy the requirement of Section

¹⁶ Although WilTel Communications (Cayman) Limited is organized in the Cayman Islands, it is authorized to provide telecommunications services in the Netherlands.

¹⁷ See FCC File Nos. FCN-NEW-20060127-00012, FCN-NEW-20060124-00005, FCN-NEW-20060124-00004, FCN-NEW-20051102-00032, FCN-NEW-20051102-00031, FCN-NEW-20020415-00022, FCN-NEW-20000214-00007, and FCN-NEW-20000214-00006.

¹⁸ See World Trade Organization, *Members and Observers* (2005), available at http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm.

63.10(a)(3) of the Commission's rules.¹⁹ Each Level 3 Foreign Carrier Affiliate holds significantly less than a 50-percent market share in the international transport and local access markets in its respective country. Moreover, no Level 3 Foreign Carrier Affiliate has any ability to discriminate against unaffiliated U.S. international carriers through the control of bottleneck services or facilities in its respective international market. No Level 3 Foreign Carrier Affiliate appears on the Commission's list of foreign telecommunications carriers presumed to possess market power in foreign telecommunications markets.²⁰ Accordingly, each Level 3 Foreign Carrier Affiliate is presumed to lack sufficient market power on the international end of the route to affect competition adversely in the U.S. market.

(m) Level 3 qualifies for non-dominant status for all foreign routes based upon the information set forth in Paragraph (l) above.

(n) By the attached certification, Level 3 certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into any such agreements in the future.

(o) By the attached certification, Level 3 certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.²¹

¹⁹ See 47 C.F.R. § 63.10(a)(3).

²⁰ See *International Bureau Revises and Reissues the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, 19 FCC Rcd. 20,358 (Int'l Bur. 2004) ("Presumed Market Power List").

²¹ See 21 U.S.C. § 853(a).

(p) The Applicants seek streamlined processing of this request for consent to transfer control of LGN Parent's international Section 214 authorization under Section 63.12 of the Commission's rules because: (1) the destination markets of the Level 3 Foreign Carrier Affiliates listed in paragraph (i) above are all WTO Member countries, as demonstrated in (l) above, and each Level 3 Foreign Carrier Affiliate lacks sufficient market power to affect competition adversely in the U.S. market; (2) Level 3 is not affiliated with a dominant U.S. carrier; and (3) LGN Parent has no foreign carrier affiliations.

IV. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES REGARDING THE TRANSFER OF CONTROL TO LEVEL 3 OF THE DOMESTIC COMMON-CARRIER TRANSMISSION LINES OF THE LGN OPERATING COMPANIES

The Applicants submit the following information, pursuant to Section 63.04 of the Commission's rules, in support of the Applicants' request for consent to transfer control to Level 3 of the domestic common-carrier transmission lines of the LGN Operating Companies:

(a)(1) See response to part III(a) above for the names, addresses, and telephone numbers of the Applicants. The LGN Operating Companies both have the same address and telephone number as LGN Parent.

(a)(2) See response to part I.A above for the state laws under which LGN Operating Companies, LGN Parent, and Level 3 are organized.

(a)(3) See response to part III(c) above for the contact information to whom correspondence concerning this application should be addressed.

(a)(4) See response to part III(h) above for a list of persons or entities that directly or indirectly own at least 10 percent of the equity of Level 3, and the percentage of equity owned by each of those entities.

(a)(5) By the attached signature, Level 3 certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.

(a)(6) The Applicants set forth a complete description of the Proposed Transaction in part I.B above.

(a)(7) LGN Operating Companies provide interstate and intrastate services and competitive data transport services, in the geographic areas described in part I.A above. Level 3's operating subsidiaries provide domestic interstate, intrastate, and local exchange services throughout the United States, as well as international telecommunications and information services throughout the United States. To the extent Level 3's operating subsidiaries offer domestic interstate common carrier services (including private line services), they do so pursuant to their blanket domestic Section 214 authorization under Section 63.01 of the Commission's rules.

(a)(8) The request for consent to transfer control to Level 3 of the domestic common carrier lines of LGN Operating Companies qualifies for presumptive streamlined processing under Section 63.03(b)(2)(i) of the Commission's rules because the Proposed Transaction will not create any acquisition-specific effects in any interexchange or local exchange market. Following consummation of the Proposed Transaction, Level 3 will continue to have a market share in the interstate, interexchange market of less than ten percent.²² Although Level 3 provides exchange access services in the areas served by LGN, the geographic areas in which Level 3 and LGN each provide such services are served by a dominant local

²² See 47 C.F.R. § 63.03(b)(2).

exchange carrier that is not a party to the Proposed Transaction.²³ Neither LGN nor Level 3 is dominant with respect to any service.²⁴

(a)(9) Concurrent with the request in part VI of this application, the Applicants have applied for Commission consent to transfer control of LGN Parent's international Section 214 authorization to Level 3.

(a)(10) The Applicants request expedited consideration of this application to allow for consummation of the transaction early in the third quarter of 2006.

(a)(11) The Applicants have not filed any waiver requests in conjunction with this transaction.

(a)(12) The Proposed Transaction will yield affirmative public interest benefits. Grant of this application will enable Level 3 to expand its local footprint and provide LGN and Level 3 access to each others' complementary technical, managerial, financial, and product strengths, which will enhance the companies' ability to expand their offerings and provide more advanced telecommunications services to a broader customer base. To date, Level 3 has operated primarily as a wholesale carrier, but Level 3 intends to use its acquisition of LGN to expand further into the enterprise market. Applicants expect the Proposed Transaction will enable both LGN and Level 3 to strengthen their competitive positions to the benefit of U.S. consumers.

²³ See *id.*

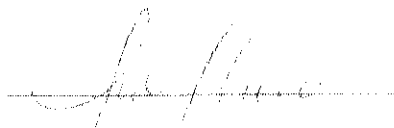
²⁴ See *id.*, § 63.03(b)(2)(i).

CONCLUSION

The Applicants respectfully request that the Commission grant this application for consent to transfer control of LGN Parent's international Section 214 authorization and of the LGN Operating Companies' domestic common-carrier transmission lines to Level 3.

Respectfully submitted,

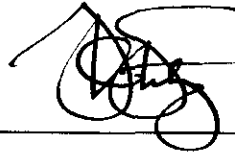
**LOOKING GLASS NETWORKS
HOLDING COMPANY, INC.
LOOKING GLASS NETWORKS, INC.
LOOKING GLASS NETWORKS
OF VIRGINIA, INC.**

A handwritten signature in cursive script, appearing to read "Jodi J. Caro", written over a horizontal line.

Jodi J. Caro
Vice President and General Counsel

1111 West 22nd Street, Suite 600
Oak Brook, Illinois 60523
+1 630 242 2015 tel

LEVEL 3 COMMUNICATIONS, INC.



Kent D. Bressie
Charles D. Breckinridge
HARRIS, WILTSHIRE & GRANNIS LLP
1200 18th Street, N.W., Suite 1200
Washington, D.C. 20036-2560
+1 202 730 1337 tel

Counsel for Level 3 Communications, Inc.

Thomas C. Stortz
Executive Vice President, Secretary, and
Chief Legal Officer
LEVEL 3 COMMUNICATIONS, INC.
1025 Eldorado Boulevard
Broomfield, Colorado 80021
+1 720 888 5127 tel

15 June 2006

Attachments

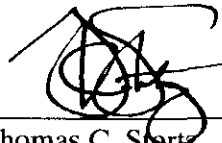
CERTIFICATION

I, Thomas C. Stortz, Executive Vice President, Secretary, and Chief Legal Officer for Level 3 Communications, Inc. ("Level 3"), hereby certify that:

1. Level 3 is affiliated with the following foreign carriers: (1) Level 3 Communications (Austria) Limited; (2) Level 3 Communications S.A. (Belgium); (3) Williams Communications Network, Inc. (Canada); (4) Level 3 Communications s.r.o. (Czech Republic); (5) Level 3 Communications (Denmark) Limited; (6) Level 3 Communications S.A.S. (France); (7) Level 3 Communications GmbH (Germany); (8) Level 3 Communications Ltd. (Ireland); (9) Level 3 Communications S.R.L. (Italy); (10) WilTel Communications K.K. (Japan); (11) Level 3 Communications B.V. (the Netherlands); (12) WilTel Communications (Cayman) Limited (Netherlands); (13) the Warsaw branch office of Level 3 Communications GmbH (Poland); (14) Level 3 Communications SLU (Spain); (15) Level 3 Communications A.B. (Sweden); (16) Level 3 Communications AG (Switzerland); (17) Level 3 Communications Limited (United Kingdom); and (18) Williams Communications UK Limited (collectively, "Level 3 Foreign Carrier Affiliates"). All of the Level 3 Foreign Carrier Affiliates are located in destination markets that are World Trade Organization Members.
2. Level 3 seeks to provide international telecommunications services from the United States to the destination countries listed in Paragraph (1) above in which an entity that owns more than 25 percent of, or controls, Level 3 controls a foreign carrier in that country, or will do so following consummation of the Proposed Transaction.
3. Level 3 has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier

possesses market power on the foreign end of the route and will not enter into any such agreements in the future.

4. Neither Level 3 nor any other party to this application, is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.



Thomas C. Stortz
Executive Vice President, Secretary, and
Chief Legal Officer
LEVEL 3 COMMUNICATIONS, INC.
1025 Eldorado Boulevard
Broomfield, Colorado 80021
+1 720 888 5127 tel

15 June 2006

LIST OF ATTACHMENTS

- Attachment A: Pre-Transaction Organizational Structures of the Relevant Parts of Level 3 Communications, Inc., and Looking Glass Networks Holding Co., Inc.**
- Attachment B: Step 1 in the Acquisition of Looking Glass Networks Holding Co., Inc., by Level 3 Communications, Inc.—Merger of Eldorado Acquisition One, Inc., into Looking Glass Networks Holding Co., Inc.**
- Attachment C: Step 2 in the Acquisition of Looking Glass Networks Holding Co., Inc., by Level 3 Communications, Inc.—Contribution of Shares to Level 3 Financing, Inc.**
- Attachment D: Step 3 in the Acquisition of Looking Glass Networks Holding Co., Inc., by Level 3 Communications, Inc.—Contribution of Shares to Level 3 Communications, LLC**
- Attachment E: Post-Transaction Organizational Structures of the Relevant Parts of Level 3 Communications, Inc.**